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From:

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To:

Cc:

Subject: RE: Form 870-PT Language

You determine "partial agreement" status on a year by year basis.

If a TEFRA agreement resolves all partnership items for a partnership year, it is not a partial agreement for that year and the one year minimum period under section 6229(f) will run one year from the date the agreement is signed.

For a future year where not all partnership items are being resolved, you have a partial agreement. In that case, the normal TEFRA statute under section 6229 applies to both the settled and unsettled items for that year. I.R.C. 6229(f)(2).

You could specify that the agreement constitutes a partial settlement for section 6229(f)(2) purposes for future years but constitutes a non-partial agreement as to partnership years 1, 2 and 3.

If you resolve this in a closing agreement for a particular taxpayer, you don't need a Form 870-PT.